



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

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Dee C. Hansen

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355 West North Temple

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February 2, 1993

Mr. Gayle McKeachnie, Legal Counsel
Ziegler Chemical & Mineral Corporation
363 East Main Street
Vernal, Utah 84078

Dear Mr. McKeachnie:

Re: Board Approval, Amount & Form of Reclamation Surety, Ziegler Chemical & Mineral Corporation, Ziegler Gilsonite Mines, M/047/013, Uintah County, Utah

On January 27, 1993, the Board of Oil, Gas and Mining approved the \$89,500 Irrevocable Letter of Credit as reclamation surety for the Ziegler Gilsonite Mines in Uintah County. The Division hereby grants final approval of the current Mine and Reclamation Plan for the Ziegler Gilsonite Mines.

Enclosed for your files are copies of: the fully executed reclamation contract, the current Letter of Credit, and a memo regarding bonds with State Lands and Forestry. In addition, the 1988 Collateral Bonding and Indemnity Agreement between Ziegler and the Division for \$69,100 is also enclosed. This old agreement has now been superseded by the new reclamation contract and letter of credit. The current surety amount is scheduled for review by the Division in 1997, although changes to the current mine plan may justify earlier review.

Thank you for your cooperation in completing this permitting action.

Sincerely,

Anthony A. Gallegos
Reclamation Engineer

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Enclosures

cc: Norm Haslem, Ziegler
John Blake, State Lands